

PURCHASE OF CAPACITY IN  
SHARED LINES AND PUMPING STATIONS

THIS AGREEMENT made this 22<sup>ND</sup> day of MAY, A.D., of 1995 by and between Caledonia Township, a Municipal Corporation having its principal office at 135 North State Road, Owosso, Shiawassee County, Michigan, and the City of Corunna, a Municipal Corporation having its principal office at 402 North Shiawassee Street, Corunna, Shiawassee County, Michigan.

WITNESSETH:

WHEREAS, the Owosso Township - Caledonia Township Utility Authority is charged with the operation and maintenance of sanitary sewer lines and certain pumping stations in Owosso Township and Caledonia Township; and

WHEREAS, the City of Corunna and Caledonia Township share sewer lines and pumping stations and have previously defined purchased capacity in the same; and

WHEREAS, the City of Corunna has on occasions exceeded its purchased flow capacity in shared sewer lines and in shared pumping stations; and

WHEREAS, the Township of Caledonia has excess capacity that at the present time is not being utilized by said municipality in the shared lines and pumping stations; and

WHEREAS, the parties agree that a certain amount of excess capacity in pumping stations and sewer lines that is owned by Caledonia Township shall be purchased by the City of Corunna subject to the terms of this agreement.

THEREFORE, it is agreed by and between the parties hereto as follows:

ARTICLE I CAPACITY PURCHASE. Caledonia Township agrees to sell to the City of Corunna a certain amount of unused capacity that it owns in shared sewer lines and pumping stations subject to the parties' compliance with the terms of this agreement.

ARTICLE II PUMP STATION #8 CAPACITY-PURCHASE. The City of Corunna agrees to purchase additional capacity at Pump Station #8: Purchase of said capacity to bring the City of Corunna's total capacity at Pump Station #8 to 3.3 CFS. Net purchase cost includes costs associated with the original pump station structure and addition of the third pump.

Total purchase cost: \$18,332. See Attachment A for computations.

Total purchase cost to be paid upon execution of this Agreement by the parties.

ARTICLE III FORCE MAIN CAPACITY-PURCHASE. The City of Corunna agrees to purchase additional capacity in the eighteen (18") inch Force Main (Hintz Road): Purchase of said capacity to bring the City of Corunna's total capacity in said force main to 3.3 CFS.

Total purchase cost: \$5,180. See Attachment A for computations.

Total purchase cost to be paid upon execution of this agreement by the parties.

ARTICLE IV JAMES STREET, GROVE STREET AND AIKEN STREET CAPACITY-PURCHASE. The City of Corunna agrees to purchase 0.35 CFS capacity in the ten (10") inch Sanitary Sewer (James-Grove) and the fifteen (15") Sanitary Sewer (Aiken) for a total purchase cost of \$25,507. See Attachment A for computations.

Total purchase cost to be paid at the time of initial connection of the first building in the City of Corunna service area to the James Street Sanitary Sewer.

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ARTICLE V USAGE/CAPACITY. The flows (sewage/water) from the City of Corunna into the shared sewer lines and pump stations shall not exceed the System Capacity Allocations as set forth in Attachment B to this agreement, except for emergency situations beyond the reasonable control of the City of Corunna such as rupturing of the force main or gravity sewer related to the equalization tank or rupturing of the tank itself. Emergency situations do not include such events as large rainstorms.

Capacities and subsequent user charges shall be determined by reference to the bulk sewage meter for discharge into the M-21 sewer (as is presently in use). Capacity and subsequent user costs for units using James, Grove and Aiken Street sewers shall be determined by reference to the individual water meters in the Corunna Services District (as is presently being done for border streets). Both parties shall have access to these meters for purposes of determining compliance with this agreement.

The City of Corunna shall be in full compliance with the usage and capacity flows as set forth in Attachment B no later than June 30, 1996.

Upon the City's failure to comply with terms of this Article, the Township shall have the right to terminate this agreement by first giving notice allowing the City 30 days to comply and then a termination notice to the City in writing. Termination shall be effective 30 days after receipt of the termination notice by the City. Effective with the date of termination, the ownership of the capacity in the sewer lines and pump stations covered by this agreement shall revert to the original capacities outlined in the "Cost Distribution in Accordance with As-Built Quantities and Costs" dated December 15, 1980 (as prepared by Prein-Newhof).

Upon termination the township shall retain ten percent (10%) of all monies paid by the City for each year or any part of a year that the agreement is in effect.

In the event that the City of Corunna desires to purchase additional capacity in the ten (10") inch and fifteen (15") inch sewers, both parties agree to negotiate the issue in good faith.

ARTICLE VI EQUALIZATION TANK. In the event that the City of Corunna constructs an equalization tank in order to reduce its capacity in the various components in the systems to the levels set forth in Attachment B, then the plans for any such tank shall be approved by the Michigan Department of Natural Resources and reviewed by Caledonia Township prior to construction.

The location of the equalization tank will be on the parcel of land with the property tax roll number of 78-026-70-072 or 78-026-70-076. Any deviation from this plan due to DNR prohibition or mandate will be brought before Caledonia Township for approval within fourteen (14) days or no later than the next regularly scheduled Township Board meeting, whichever is the later.

ARTICLE VII DEFAULT IN PAYMENT. If the City of Corunna fails to pay any of the aforesaid payments (Pump Station Capacity Purchase = \$18,332, Force Main and Down Stream Gravity Sewer Capacity Purchase = \$5,180, and James, Grove and Aiken Streets Capacity Purchase = \$25,507), in accordance with the time frames established herein, Caledonia Township shall have the right to terminate this agreement by giving notice to the City in writing. Termination shall be effective 60 days after receipt of the notice by the City provided the funds remain unpaid at the effective date of termination.

Effective with the date of termination resulting from a default in payment, the ownership of the capacity in the sewer lines and pump stations covered by this agreement shall revert to the original capacities outlined in the "Cost Distribution in Accordance with As-Built Quantities and Costs" dated December 15, 1980 (as prepared by Prein-Newhof). The Township shall retain all monies paid by the City as of the date of termination by default in payment.

ARTICLE VIII CITY'S DUTIES GENERALLY. The City of Corunna will perform all of the obligations imposed on it by law or by the provisions of its grant from or contracts with various cities or townships in relation to the purchased capacity. The City of Corunna will not do or omit or allow to be done or omitted any act or thing that would be a ground for forfeiture of any of the contract rights and privileges derived from any city or other municipal or public authority for the construction, maintenance, and operation of the Mid-County Waste Water System and other leased property. The City of Corunna will indemnify the Utility Authority, Caledonia Township and Owosso Township against any claim, debt, or liability growing out of the misuse by the City of Corunna of the purchased capacity.

ARTICLE IX BINDING EFFECT OF AGREEMENT. The covenants herein contained shall inure to the benefit of and be obligatory on the parties respective successors.

ARTICLE X ENTIRE AGREEMENT. This agreement sets forth all the covenants, promises agreement conditions, and understandings between the parties hereto. No alteration, amendment, change or addition to the agreement shall be binding upon either party unless reduced to writing and signed by each party.

ARTICLE XI CAPTIONS AND SECTION NUMBERS. The captions, article numbers, and section numbers appearing in this agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such articles or sections.

ARTICLE XII GOVERNING LAW. This agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

ARTICLE XIII PARTIAL INVALIDITY. Whenever possible, each provision of this agreement shall be interpreted in such a way as to be effective and valid under applicable law. If a provision is prohibited by or invalid under applicable law, it shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

ARTICLE XIV ATTACHMENTS. The attachments shall be construed as an integral part of this agreement.

ARTICLE XV REMEDIES CUMULATIVE. The remedies provided in this agreement shall be cumulative, and the assertion by any party of any right or remedy shall not preclude the assertion by such party of any other rights or the seeking of any other remedies.

IN WITNESS WHEREOF, the parties have executed this Agreement on first date set forth above.

CITY OF CORUNNA

BY: Rich Sarra  
Mayor

BY: Yvonne F. Long  
City Clerk

TOWNSHIP OF CALEDONIA

BY: Russel E. Ringle  
Supervisor

BY: P. J. [Signature]  
Township Clerk

The above Purchase of Capacity is hereby approved by the Utility Authority.

DATED: May 27, A.D., 1995

OWOSSO TOWNSHIP-CALEDONIA  
TOWNSHIP UTILITY AUTHORITY

BY: [Signature]  
Utility Authority Chairman

**ATTACHMENT A  
CAPACITY PURCHASE CALCULATIONS  
P.S. NO. 8 AND 18-INCH FORCE MAIN  
JAMES/GROVE STREET SEWERS**

<b>A. PUMP STATION NO. 8</b>
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Original Station Cost (Local Share) .....	\$83,414
Original Corunna Allocation .....	36 percent (1.81 CFS)
Adjusted Corunna Allocation (3rd pump addition) .....	42.9 percent (3.3 CFS)
Adjusted Capital Cost - Corunna .....	\$35,785
Less Original Allocation .....	\$30,029
<hr/> SUBTOTAL - Purchase Cost Local Share Basis .....	<hr/> \$5,756

ADJUSTED PRESENT COST (\$5,756 x 1.8952) .....	\$10,909
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Third Pump installation	
Capacity Increase .....	2.61 CFS
Corunna Purchase Capacity (3.3 - 1.81) .....	1.49 CFS
Corunna Percentage in 3rd Pump .....	57.1percent
Corunna Cost Allocation in 3rd Pump .....	\$26,261
Corunna Contract Payment (Through 8/1/94) .....	\$19,594
<hr/> Principal Balance Due .....	<hr/> \$6,667
Interest Through 8/1/95 .....	\$756
TOTAL BALANCE DUE .....	\$7,423

TOTAL PURCHASE PRICE OF 3.3 CFS IN P.S. NO. 8 PRESENT COST BASIS (\$10,909 + \$7,423) .....	\$18,332
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**B. 18-INCH DIAMETER FORCE MAIN**

Original Force Main Cost .....	\$39,539
(Local Share)	
Corunna Cost Allocation at 42.9 Percent (3.3 CFS) .....	\$16,967
Less Original Cost Allocation .....	\$14,234
<b>SUBTOTAL - Purchase Cost .....</b>	<b>\$2,733</b>

**ADJUSTED PRESENT COST (\$2,733 X 1.8952) ..... \$5,180**

**C. JAMES AND GROVE SANITARY SEWER**

Local Cost	James Street .....	\$30,545
	Grove Street .....	\$29,805
Corunna Allocation		
	James Street (30.4 percent) .....	\$9,286
	Grove Street (14.0 percent) .....	\$4,173
<b>SUBTOTAL - Purchase Cost .....</b>	<b>\$13,459</b>	

**ADJUSTED PRESENT COST (\$13,459 x 1.8952) ..... \$25,507**

**D. SUMMARY - PURCHASE COST BASIS**

Pump Station No. 8 .....	\$18,332
18-Inch Force Main .....	\$5,180
James/Grove Street Sewer .....	\$25,507

**ATTACHMENT B**  
**SYSTEM CAPACITY ALLOCATION**

COLLECTION SYSTEM COMPONENT	CAPACITY (CFS)	
	Corunna	Caledonia
21" Sanitary Sewer (M-21)	3.6	1.4
P.S. No. 8 (Hintz Road)	3.3	4.39
18" Force Main	3.3	4.39
27" Sanitary Sewer (Hintz - Middleton)	3.6	6.4
Metering Sta. No. 2	3.5	6.3
27" Sanitary Sewer (Hickory - Chinook)	3.3	5.9
30" Sanitary Sewer (Chinook - Chippewa)	3.61	6.45
James/Grove	0.35	0.80